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(Do Not Write Above This Line)	Chair Referred to		Readings
A RESOLUTION BY COUNCILMEMBER FELICIA & MOORE	Committee	Committee	□Consent □V Vote □RC Vote
A RESOLUTION STATING THE CITY OF	Date	Date	CERTIFIED
ATLANTA'S SUPPORT OF THE NATIONAL LEAGUE OF CITIES 2002	Chair	Chair	
POLICY PRIORITY ON PROTECTING LOCAL AUTHORITY AND CIVIL LIBERTIES AS IT RELATES TO THE FEDERAL FAITH-BASED INITIATIVE;	Action: Fav, Adv, Hold (see rev. side) Other:	Action: Fav, Adv, Hold (see rev. side) Other:	
AND FOR OTHER PURPOSES.	Members	Members	
	Refer To	Refer To	
	Committee	Committee	
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CONSENT REFER  REGULAR REPORT REFER  ANVERTISE & REFER	Chair	Chair	
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A RESOLUTION

BY COUNCILMEMBER FELICIA A. MOORE, Cola Wendon

A RESOLUTION STATING THE CITY OF ATLANTA'S SUPPORT OF THE NATIONAL LEAGUE OF CITIES 2002 POLICY PRIORITY ON PROTECTING LOCAL AUTHORITY AND CIVIL LIBERTIES AS IT RELATES TO THE FEDERAL FAITH-BASED INITIATIVE; AND FOR OTHER PURPOSES.

Whereas, local governments have a long and rich history of working with community- and faith-based organizations engaged in the delivery of social services, and

Whereas, the Bush Administration has announced funding proposals for the faith-based initiative within the Departments of Justice, Health and Human Services and Labor; and

Whereas, the Administration's faith-based initiative which passed the House, presents a number of concerns for local governments, including: the threat of new litigation, the preemption of local laws, the imposition of unfunded federal mandates, vouchers and commingling of funds; and

Whereas, the NLC opposes federal preemption of local government laws that would increase liabilities under Section 1983 (civil rights law) and related statutes along with personal risks facing elected officials, individual officers, and employees while performing duties; and

Whereas, NLC policy states that faith-based organizations must satisfy the same legal standards as other non-for-profit and community development organizations competing for federal grants.

NOW, THEREFORE BE IT RESOLVED BY THE ATLANTA CITY COUNCIL AND THE CITY OF ATLANTA, that we urge our Senators to support the best compromise bill that would provide incentives for charitable giving and expedited review and technical assistance to nongovernmental organizations (NGO) interested in incorporating as 501(c)(3) entities without eroding the traditional American value of separation of church and state, and

Be It Further Resolved, that the City of Atlanta urges our Congressional Delegation to oppose any preemption of local government authority in the bill and to support language that requires all NGOs to comply with all applicable state and local contract requirements, and

Be It Further Resolved, that the City of Atlanta opposes conferencing the CARE Act with H.R. 7 which could expose cities and city officials to lawsuits, preempts locals laws, imposes unfunded federal mandates and vouchers and allows for the commingling of funds; and

Be It Further Resolved, that the City of Atlanta has concerns the H.R. 7 will result in excessive litigation from groups bringing equal protection charges against cities and city officials, and the bill will preempt our local civil rights, laws and local contracting regulations; and

Be It Further Resolved, that the City of Atlanta urges our Congressional Delegation to call for hearings, that invite as witnesses, local elected officials with good track records in working with a variety of NGOs; and our delegation's support of language that requires all NGOs to comply with all applicable state and local contract requirements; and

Be it Further Resolved, that the Municipal Clerk of the City of Atlanta is hereby directed to transmit a "true copy" of this resolution to all members to the Georgia Congressional Delegation.

# National League of Cities



# 2002 Hot Issues

## Faith-Based Initiative

Protection of local authority and civil liberties are 2002 priorities for the National League of Cities.

### Background

Local governments have a long and rich history of working with community- and faith-based organizations engaged in the delivery of social services. Cities have greatly benefited from the work of non-governmental organizations that have helped feed the homeless, counsel domestic violence victims and provide drug treatment programs as part of their work. The success of faith-based institutions in the delivery of social services has the attention of President Bush and he has made his faith-based initiative a priority of his Administration.

The faith-based initiative, as defined by the Administration, would 'level' the playing field for faith-based institutions that wish to continue their social services with federal support while maintaining their religious identity and practices. Specifically, the Administration's policy would facilitate federal funding of faith-based institutions engaged in social service programs that traditionally help the poor. Instead of seeking congressional authorization to implement this goal, the Administration has announced funding proposals for the faith-based initiative within the Departments of Justice, Health and Human Services, and Labor.

The Administration's faith-based initiative, which passed in the House, presents a number of concerns for local governments: the threat of new litigation, the preemption of local laws, the imposition of unfunded federal mandates, vouchers and the commingling of funds.

### **Congressional Action**

On July 19, 2001, the House of Representatives, by a vote of 233 to 198, passed H.R. 7, The Community Solutions Act of 2001. This Act would permit faith-based organizations to directly receive federal funds for the delivery of social service programs. The bill is distinct from previous "charitable choice" legislation because it no longer requires faith-based organizations to create independent, tax-exempt groups to run federally funded programs. Hence, this raises concerns about the separation of church and state. Additionally, H.R. 7 also contains provisions that encourage charitable giving by taxpayers who do not itemize their taxes - allowing non-itemizing taxpayers to deduct as much as \$25 in donations initially, and it would rise to as much as \$100 a year in 10 years.

Senators Joseph Lieberman (D-Ct.) and Rick Santorum (R-Pa.) are expected to introduce very soon the Charity, Aid, Relief, and Empowerment Act (The CARE Act of 2002). This Senate faith-based proposal will apply to any nongovernmental organizations (NGOs) involved in the delivery of social service programs. The bill will focus on tax incentives for charitable giving; expedited review for non-governmental organizations wishing to incorporate as 501(c)(3) entities; and, provide technical assistance to these groups through a 'Compassionate Capital Fund'.

This bill is a marked improvement for cities over H.R. 7. The CARE Act will probably limit civil

actions against cities to "injunctive relief in the appropriate State court of jurisdiction" as opposed to forcing cities to defend themselves in federal court. Also, technical assistance will be provided to assist cities in the administration of the Act. With regard to the preemption of local laws, the CARE Act will be less onerous than H.R. 7. Nonetheless, this Act is expected to include language that will preclude faith-based NGOs from complying with state and local contracting requirements that must be adhered to by secular institutions engaged in the delivery of the same social services.

This preemption could affect local laws that help to encourage equal opportunity. Any legislation that exempts faith-based NGOs from the same legal standards as other non-profit and community development organizations competing for federal grants, presents equal protection problems that render cities vulnerable to lawsuits. Presently, the Administration and the sponsors of the CARE Act are opposed to language that would require all NGOs to comply with all applicable state and local contract requirements.

#### NLC Policy and Position

NLC opposes federal preemption of local government laws that would increase liabilities under Section 1983 (civil rights law) and related statutes along with personal risks facing elected officials, individual officers, and employees while performing duties. NLC policy states that faith-based organizations must satisfy the same legal standards as other non-for-profit and community development organizations competing for federal grants.

NLC will work to ensure that any federal faithbased initiative (1) does not impose new legal liabilities on local governments or local officials; (2) establishes parity between faith-based organizations and other community-based organizations competing for federal grants; and (3) distributes federal funds directly to cities, preferably by a block grant that allows cities to establish their own guidelines based on local needs and capacities.

#### **PPACTION**

- Contact your Senators to let them know that the best compromise bill would provide tax incentives for charitable giving and expedited review and technical assistance to NGOs interested in incorporating as 501(c)(3) entities without eroding the traditional American value of separation of church and state.
- > Urge them to oppose any preemption of local government authority in the bill and to support language that requires all NGOs to comply with all applicable state and local contract requirements.
- >Let your Senators and Representative know that you oppose conferencing the CARE Act with H.R. 7. H.R. 7 is bad law and bad policy because it exposes cities and city officials to lawsuits, preempts local laws, imposes unfunded federal mandates and vouchers and allows the commingling of funds.
- > Your concerns regarding excessive litigation from groups bringing equal protection charges against cities and city officials. Make it clear that you and your city do not want your local civil rights laws or contracting laws preempted by the federal government.
- > You want them to call for hearings that invite as witnesses local elected officials with good track records in working with a variety of NGOs.
- > You want them to protect full funding of key social service programs for cities. Specify that these funds should be directed to local governments.

For further information contact: Veronique Pluviose-Fenton Principal Legislative Counsel (202) 626-3029/Pluviose-fenton@nlc.org